PRESS RELEASE

For immediate release:

Thursday, March 3, 2016

Contact: Anthony Wright, executive director Health Access
awright@health-access.org, 916-870-4782 (cell)

CONSUMER ADVOCATES TO QUESTION ANTHEM-CIGNA MEGA-MERGER AT DMHC PUBLIC MEETING TOMORROW

- Patient Groups & Public Oppose Unless Conditioned On Strong Consumer Protections and Improvements
- Track Record of Anthem Blue Cross, California’s Largest Insurer, Appropriately Scrutinized As It Seeks to Get Bigger
- Public Testimony Will Be Heard by the Department of Managed Health Care TOMORROW, Friday, March 4, 1:30-3:30 pm, 1500 Capitol Avenue, Sacramento

SACRAMENTO, CA – On Friday afternoon, consumer groups will testify at a public meeting of the Department of Managed Health Care (DMHC) on the proposed deal of Anthem’s takeover of Cigna. Health Access, Consumers Union, and other consumer and patient groups will raise questions about the structure of the deal, its potential impact on California's patients and health system, and ensure proper oversight as insurance companies merge and become larger.

Anthem Blue Cross is one of the largest health insurance companies in California and operates in both the commercial and public market. Consumer advocates argue that Anthem’s troubling record of not meeting its obligations to its customers raises questions about whether those problems will only grow as the company gets bigger. For example, Anthem was fined last year for inaccurate provider directories that make it difficult for consumers to find a doctor in their network. State regulators also fined Anthem $1.5 million for not paying for an important prenatal test, exposing 27,000 patients to unnecessary costs. Finally, Anthem’s has low quality ratings for its Covered California and Medi-Cal products.

"In this wave of insurance mega-mergers in California, Anthem’s request to acquire Cigna is one of the most troubling. As one of the largest insurance companies in California, Anthem covers millions of lives yet has a record of not meeting basic consumer protection laws. Before it gains even more customers, Anthem should be required to improve its track record and demonstrate its commitment to its consumers,” said Tam Ma, policy counsel, Health Access California, the statewide health care consumer advocacy coalition.
“When insurance companies like Anthem want to merge, they should be required to do a better job of serving their customers. State regulators must make sure consumers actually benefit from these mergers by getting lower premiums, lower out-of-pocket costs, higher quality care, better service, and reduced health disparities,” said Ma.

Consumer advocates are urging that state regulators and policymakers scrutinize this deal and others that are pending and impose conditions to ensure protections for individual policyholders and for California's health system as a whole.

“State regulators should be skeptical of all of these insurer mega-mergers and, at a minimum, require strong, concrete commitments to make sure these deals truly benefit patients and the public. We know that these mergers benefit the insurers, but they should be required to explain how they benefit California consumers and the health system on which we all rely,” said Anthony Wright, executive director of Health Access California. “With Anthem’s troubling track record, California should make sure that it does not get bigger without getting better."

The DMHC public meeting is Friday, March 4, from 1:30 pm – 3:30 pm at the 1500 Capitol Avenue, in Sacramento. The agenda can be found here.

These mega-mergers will continue to be scrutinized by California officials. The California Department of Insurance is expected to hold hearings on this merger later this month and the Senate Health Committee is scheduled to hold an informational hearing on the topic of health mergers in general on March 16th.

###